

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 3, 2017

GI-2017-06-PGE07-02A, 02B, & 02C

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Portfolio Management & Engineering
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

SUBJECT: General Order 112 Gas Inspection of PG&E's De Anza Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112¹ inspection of Pacific Gas and Electric Company's (PG&E) De Anza Division (Division) from June 25 through 30, 2017. The inspection included a review of Division records for the period of January 1, 2014 through December 31, 2016. A representative sample of PG&E facilities and right-of-way were also inspected.

A Summary of Inspection Findings (Summary), which contains probable violations and areas of concerns and recommendations identified by SED staff, is included as an attachment to this letter.

Please provide a written response indicating the measures taken by PG&E to address the probable violations and areas of concerns and recommendations within 30 days from the date of this letter.

If you have any questions, please contact Alula Gebremedhin at (415) 703-1816 or by email at ag5@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

cc: Mike Bradley, PG&E Regulatory Compliance
Susie Richmond, PG&E Regulatory Compliance
Glen Allen, PG&E Regulatory Compliance
Kelly Dolcini, SED
Terence Eng, SED

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

SUMMARY OF INSPECTION FINDINGS

A. PG&E's Internal Audit Findings

Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the Division. Some of PG&E's internal review findings are violations of PG&E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.605(a). Table 1 lists PG&E's internal findings.

Table 1: De Anza Division Internal Review Findings

Topic	Code Section	Finding	Instances	Completion Date
2016 Valves	192.605(a)	Missed maintenance: valve 3410-F8B. Valve was not maintained in May 2016 (valve paved over). Upon discovery on 6/2/17 that maintenance was not performed, permit was requested to dig up street and maintain valve	1	Pending
	162.605(a)	Maintenance documents improperly filled out: without LanID and Date per standard, and sign-off. Valve #'s: 3350-E5A; 3410-G7A.	2	12/2/2016
2016 Regulation Station	192.605(a)	Non Compliance with Internal Requirements (1)Corrections made to maintenance document without LanID and Date per standard.District Reg: B-03 File Folder; Escuela-El Canino Real, Mtn. View	1	5/25/2016

SED is aware that PG&E corrected some of its findings prior to SED's audit. Please provide SED an update on the item that is still pending corrective action.

B. SED Findings

I. Probable Violations

1. Title 49 CFR §192.481(a) states:

“Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:”

<i>If the pipeline is located:</i>	<i>Then the frequency of inspection is:</i>
<i>Onshore</i>	<i>At least once every 3 calendar years, but with intervals not exceeding 39 months</i>
<i>Offshore</i>	<i>At least once each calendar year, but with intervals not exceeding 15 months</i>

After reviewing the Division’s corrosion control records, SED found that the Division did not complete 5,940 meter inspections for evidence of atmospheric corrosion within a frequency of 39 months. PG&E’s inspectors documented a number of meter sets as inaccessible (“CGI” or “can’t get in”) in their 2015 and 2016 inspection records. As of June 30, 2017, there were still 5,940 meter inspections shown as incomplete without evidence of them being inspected within the 39 months prior to June 30, 2017.

Therefore, PG&E is in violation of Title 49 CFR §192.481(a) for its failure to inspect 5,940 meter sets for evidence of atmospheric corrosion once every 3 calendar years, but with intervals not exceeding 39 months.

2. Title 49 CFR §192.187 states:

“Each underground vault or closed top pit containing either a pressure regulating or reducing station, or a pressure limiting or relieving station, must be sealed, vented or ventilated, as follows:”

(a) *When the internal volume exceeds 200 cubic feet (5.7 cubic meters)”*

During the field visit of a pressure limiting station B-34 located at Whisman & Middlefield Road in Mountain View, SED observed that both vaults, including a combination of working and monitoring regulators, did not have adequate ventilation.

Therefore, PG&E is in violation of Title 49 CFR §192.187 (a) for its failure to provide adequate ventilation in the vaults.

3. Title 49 CFR §192.605(a) states:

“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities”

PG&E’s procedure TD-4801S, Service Replacement Criteria, states,

*“ 2.1 For the following gas service asset types and conditions, **replace service** during initial response to a leak, scheduled leak repairs, and reconstruction projects: .*

- ***All copper services ... ”***

While reviewing the leak repair records, SED found that leak #110583940 on Alford Ave, Los Altos had been on a copper service. PG&E repaired the leak on 10/23/2015.

However, the Division had not yet replaced or scheduled for the replacement of the copper service as of June 26th 2017. Therefore, PG&E is in violation of Title 49 CFR §192.605(a) for failing to replace or schedule for the replacement of the copper service identified as required by PG&E’s procedure.

II. Areas of Concern / Recommendations/ Observations

1. During SED's field visit of a leak survey on Plat Map 3349-I2, PG&E identified 8 leaks along Appletree Lane, Mountain View.

Please provide an update on the status of corrective measures taken or planned as of this date.

2. During SED's field observation, PG&E could not achieve lockup at the two working or one monitoring regulators at station B-34, Mountain View. Later, PG&E rebuilt all three regulators and provided a pressure record of the next day.

Please provide the cause of the multiple instances of failure to lockup and PG&E's measures to prevent recurrence.

3. During records review of valve maintenance, SED found that on January 13, 2016, PG&E had identified valve number 3411-E1B, a Critical Main Distribution Valve, as being inoperable. An Alternate Method of Control (AMC) was implemented on June 3, 2016 which combined Emergency Shutdown Distribution (ESD) Zones DA-17 and DA-19. On May 4, 2016 valve number 3410-F8B was discovered to be inoperable and an AMC was implemented on June 6, 2016 which combined ESD DA-4, DA-17, and DA-19. SED is concerned that when valve 3411-E1B was made operable again that the AMC for valve 3410-F8B was not modified.

SED recommends PG&E update its AMCs soon after the issue is resolved to reflect the current situation, as it could improve emergency response.

4. During SED's field visit of valve maintenance on V-11-E1A, PG&E identified a leak at nearby pressure limiting station D-04 at the corner of Stevens Creek Blvd and Stelling Road in Sunnyvale. PG&E later repaired the leak at the Valve-1 greasing pin.

This note serves only for the purpose of record and PG&E need not to respond.

5. During SED's field visit, the Division recorded the following two low pipe-to-soil readings:

1. 1228 Crescent Terr, Sunnyvale (Isolated service, 10%er): -830mV
2. 450 Mathilda, Bldg B, Sunnyvale (Annual): -762mV

On July 18, 2017; PG&E submitted the following update on the status:

1. 1228 Crescent Terr, Sunnyvale (10%er): -830mV – This area has been corrected. The read is now -1068mV – Notification in SAP is 113005453

2. 450 Mathilda, Bldg B, Sunnyvale (Annual): -762mV – This area has been corrected. The read is now -1093mV – Notification is 113005608”

This note serves only for the purpose of record and PG&E need not respond.

6. During SED's field visit of the exposed span, “DFM over Permanent Creek at Ranch San Antonio Park”, SED observed that the blowdown valve V-082 did not have any locking

mechanism and the area was accessible to the public. SED found that the valve did not have adequate security.

On July 18, 2017, PG&E provided documentation with a picture of the valve with a lock installed.

This note serves only for the purpose of record and PG&E need not to respond.